

Ireland Global Technology Gateway



**Presentation to 2011 International
Workshop on EUV and Soft X-Ray Sources**

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Contents

- **IDA Ireland – Strategy and Role**
- **ICT Industry in Ireland**
- **Ireland – Key facts and Cost Competitiveness**
- **Tax System/R&D Incentives**
- **Ireland – Support Programmes**
- **The Irish Advantage**

IDA Ireland- Structure & Role



Objectives:

- To attract best in class foreign direct investment, suitable for Ireland's national and regional needs
- To assist in the development of existing overseas clients
- To create valuable and sustainable employment

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Horizon 2020 & IDA Business Focus



**Information
Communication
Technologies**



Life Sciences



**Engineering &
Diversified
Industries**



**International
Financial
Services**



Clean Tech



**Content Industry,
Consumer & Business
Services**

High Value Manufacturing

**Research, Development &
Innovation**

Global Business Services

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Ireland: A Home to Global Players



c.1,000 IDA Supported Companies: 139,000 Jobs
 c. 200 Overseas IT Companies: 44,000 Jobs
 Total IT Employment 90,000 (Irish and non Irish companies)
 25,000 people employed in financial services

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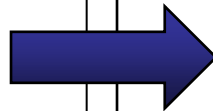
ICT Multinationals with Significant Operations in Ireland

Global Leaders	Software	Telecoms	Semiconductors	Internet / Games
HP	Symantec	Ericsson	Analog Devices	Google
IBM	VMware	Cisco Systems	Texas Instruments	eBay/PayPal
Microsoft	Adobe Systems	Alcatel Lucent	Infineon Technologies	Yahoo
Intel	Citrix Systems	Avaya	Cypress Semiconductor	Facebook
SAP	Red Hat	Qualcomm	Xilinx	AOL
Dell	Novell	Telefónica	Synopsys	LinkedIn
Apple	Sage	APC by Schneider	Cadence Design Systems	Amazon.com
Oracle	Salesforce.com	Intec	Maxim Integrated Products	Electronic Arts (BioWare)
EMC	McAfee	QLogic	Synopsys	Activision Blizzard
Siemens	Bentley	GENBAND	LAM Research	Big Fish Games

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Activities of ICT Companies

- **Global / European Headquarters**
- **EMEA and ROW Mandates**
- **Consolidation/Centralisation**



- Manufacturing
- Software Development & Localisation
- R & D
- Supply Chain Management
- Technical & Customer Support (multilingual)
- Professional Services
- Sales & Marketing
- Inside Sales
- Shared Services (e.g. Financial)
- IP Management
- Treasury
- Cloud Computing
- Online Commerce
- Data Centres

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Recent Greenfield Project Wins Include



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Recent Project Wins Include

Expansion



R & D



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Ireland - Some Key Facts



- **Number of companies investing for first time in Ireland in 2011 up 40% on 2010 (first six months)**
- **9 of the World's top 10 software companies have substantial operations in Ireland**
- **World's number 1 provider of employable graduates** (*EU Commission Nov 2009*)
- **1st for FDI and Corporate Tax regime** (*2009 Global Innovation Survey*)
- **1st for investment incentives***
- **1st for availability of Skilled Labour***
- **1st in Eurozone countries for doing business** (*Forbes 2010*)
- **2nd most globalised economy****
- **One of Europe's youngest populations: 34% less than 25 years of age**
- **Numbers commencing undergraduate computer/software courses up 40% since 2007**

* *IMD World Competitiveness Yearbook 2011*

** *EIU / Ernst & Young 2011*

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Ireland – Cost Competitive



Ireland's competitiveness improving:

- Irish unit wage costs projected to improve by 11% relative to the EU average between 2009 and 2012 (*Source: EU Commission*)
- Cost of hiring new personnel in the ICT sector generally lower by up to 20% on 2008, with costs for individual positions lower by up to:
 - 20-25% for management (senior, R&D, etc)
 - 20% for finance (accountants, accounts payable, etc)
 - 15% for sales (inside sales/account managers, etc) (30%-35% OTE's)
 - 20% for technical support, customer support, localization and testing
 - 0-10% for software development
 - 15% for electronic engineers
- Office rental costs are down by 50%+ on 2007

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Skills – Increased Availability

- Numbers commencing undergraduate computer/software courses up 40% since 2007
- Numbers commencing undergraduate physics courses up 55% since 2007
- Numbers commencing undergraduate language courses up 50% since 2007
- 2,500 software engineers/programmers/analysts (basic skills), currently not working, are available for immediate employment (*Source: CSO Q4 2010*)
- Ireland now has a diverse multilingual community, where 22% of software developers are non Irish (13% in 2000)

The Irish Tax System



- 12.5% corporate tax rate (trading profits)
- Extensive tax treaty network with 50+ countries including all the main trading nations
- Reformed holding company regime
 - No CGT
 - Dividends sheltered
- Consistent policy on low corporate tax since 1950's
- Tax relief for transfer of intangible assets to Ireland
- R & D tax credit of 25%

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R&D Tax-Based Incentives

- Favourable R&D tax credit regime (25% credit for eligible R & D)
 - Clear & transparent structure
 - Provides relief on incremental R&D expenditure over base year of 2003
 - Administered by Revenue Authority
 - Can be claimed in addition to deductions and grants
 - Unused credits can be carried forward or reclaimed from Revenue Authority (subject to limit)
 - Group relief available (i.e. credits can be used alternatively in Irish “sister” companies)
- No stamp duty on transfer of IP into Ireland; IP cost a tax deductible expense.

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Ireland – Europe's No.1 location for R&D



- Study done by accountancy firm Mazars on the world's most competitive locations for R&D (from an after tax cost perspective, with a given level of expenditure):
 - - Ireland #1 in Europe
 - - Ireland #2 worldwide
- The study involved 20 countries, including the US, UK, Netherlands, France and Israel.
- Recent changes to Ireland's R&D tax credit, which now is 25%, were an important contributing factor, coupled with strong grant incentives.
- Ireland also scored highly for R&D with multinationals on a number of critical non tax factors; including:
 - the availability of qualified research institutions,
 - the education level of available workforce,
 - the cost /availability of resources, facilities, equipment and materials,
 - intellectual property (IP) laws on ownership and protection of IP, and political stability'.

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Ireland: Support Programmes



1. IDA Employment Grants

2. IDA RD&I Grants

3. CSET's & SRC's

CSET—Centre for Science, Engineering & Technology and SRC- Strategic Research Cluster. These are R&D Centres of Excellence, directed by universities, and supported by the Irish Government, which develop new leading edge research.

4. Competence Centres

These are R&D Centres of Excellence, directed by industry, which develop new commercially focused market leading research.

Ireland-Strategic R&D location for IBM



- 2008-2010: 8 new investments announced, primarily in R&D
- 2010: Smarter Cities Technology:
 - €66 million
 - 200 person project

“We look at it [Ireland] as one of the key places for [R&D] investment now and into the future”

Dr. John E. Kelly 111, Director IBM Research

The Irish Advantage- A Unique Combination of Benefits



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Thank You

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